GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1566
ANSWERED ON:27.11.2001
DETAILS OF PUBLIC SECTOR HOTELS
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Will the Minister of DISINVESTMENT be pleased to state:

(a) the details of Public Sector Hotels being run in the country, State-wise;

(b) their average occupancy rate and losses per annum;

(c) the time by which the Ministry/Government plan to divest itself of unprofitable Hotels and save further losses; and

(d) the details of plans on the future of such Hotels?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

a) Under the category of Central PSUs; India Tourism Development Corporation (ITDC) is running 33 hotels in all (26 its own including one on long term management lease, and 7 as Joint ventures with respective State Government agencies); and Hotel Corporation of India (HCI)(a subsidiary of Air India) is running 5 hotels. The state-wise details of these hotels are as under:

State	ITDC Hotels (including the Joint Ventures (JV) with respective State agencies)	HCI Hotels
Assam	Brahamputra Ashok (as JV)	-
Arunachal Pradesh	Donyi Polo Ashok Itanagar (as JV)	-
Bihar	Bodhgaya Ashok,Pataliputra Ashok and Ranchi Ashok (as JV)	Indo Hokke, Rajgir
Delhi	Ashok, Samrat, Kutub, Kanishka, Indraprastha (Ashok Yatri Niwas), Janpath, Ranjit and Lodhi	Centaur Air port Delhi
Himachal Pradesh	Manali Ashok	
Jammu & Kashmir	Jammu Ashok	Centaur Lake View, Srinagar,
Karnataka	Ashok, Bangalore Lalitha Mahal Palace, Mysore and Hassan Ashok	-
Kerala	Kovalum Ashok Beach Resort	
Madhya Pradesh	Kajuraho Ashok and Lake View Ashok, Bhopal (as JV)	
Maharashtra	Aurangabad Ashok	Centaur Air Port Mumbai and Centaur Juhu Beach Mumbai
Orissa	Kalinga Ashok and Nilanchal Ashok, Puri (as JV)	-
Pondicherry	Pondicherry Ashok (as JV)	-
Punjab	Ashok Chandigarh Hotel Project (as JV) (underconstruction)	-
Rajasthan	Laxmi Vilas Palace Udaipur and Jaipur Ashok	

Tamilnadu TABR Mamllapuram and Madhurai Ashok -
Uttar Pradesh Agra Ashok, Varanasi Ashok
West Bengal Airport Ashok Calcutta -

b) The average occupancy rate and losses per annum (2000-2001) are as under:-

ITDC HOTELS:

Name of the Hotel	Average Occupancy Rate (%)	Losses during 2000-2001 (Rs. crores)
Ashok Delhi	42	9.03
Ashok Bangalore	36	1.30
Kovalum Ashok Beach Resort	32	2.37
Samrat Delhi	60	1.64
Lalitha Mahal Palace Mysore (On long lease from Karnataka Government Corporation)	33	+0.86 (profit)
Airport Ashok Calcutta	35	3.89
Ashok Agra	36	1.52
Indraprasth Delhi	31	4.89
Ashok Aurangabad	17	1.19
Ashok Bodhgaya	30	0.32
Ashok Hassan	17	0.65
Ashok Jaipur	24	2.31
Ashok Jammu	17	0.83
Janpath Delhi	56	2.02
Kalinga Ashok Bubhubaneswar	24	1.45
Kanishka Delhi	28	9.89
Kajuraho, Ashok	22	0.89
Laxmi Vilas Palace Udaipur	26	0.99
Lodhi Delhi	36	2.08
Ashok Madhurai	26	0.92
Ashok Manali	26	0.31
Pataliputra Ashok Patna	64	0.36
Qutub Delhi	64	0.29
Ranjit Delhi	30	3.31
TABR Mamllapuram	37	0.55
Ashok Varanasi	29	1.93

ITDC JOINT VENTURES:

Name of the Hotel	Average Occupancy Rate (%) (provisional)	Losses during 2000-2001 (Rs. crores)
Brahmaputra Ashok, Guwahati	56	0.20
Nilanchal Ashok, Puri	19	0.98
Pondicherry Ashok	32	0.07
Ranchi Ashok	47	0.03
Lake View Ashok, Bhopal	39	0.57
Donyi Polo Ashok, Itanagar	39	+0.04 (profit)
Punjab Ashok Hotel, Chandigarh	Hotel Project under construction	

HCI HOTELS:

Name of the Hotel	Average Occupancy Rate (%)	Losses during 2000-2001 (Rs. crores)

Centaur Airport Delhi	19	10.73
Centaur Airport Mumbai	54	3.24
Centaur Juhu Beach Mumbai	43	1.56
Centaur Lake View Srinagar	40	3.01
Indo Hokke Rajgir	27	+0.32 (profit)

(c) & (d) : India Tourism Development Corporation (ITDC):

Following the acceptance of the recommendations of the Disinvestment Commission, the Government has decided to disinvest in all the 26 hotels of India Tourism Development Corporation, in the following manner:

(i) The four hotels, namely, Ashok Hotel, New Delhi, Hotel Samrat, New Delhi, Bangalore Ashok, Bangalore and Hotel Lalitha Maha Palace, Mysore on lease-cum-management basis; and

(ii) The other 22 hotels on sale basis

(iii) Regarding Joint Ventures, Disinvestment Commission had made recommendations only for Ranchi Ashok Bihar Hotel Corporation and Utkal Ashok Hotel Corporation stating that in both these companies ITDC may fully disinvest its shareholding in favour of a private entrepreneur. The Government has approved the disinvestment by ITDC in these Joint ventures on stand alone basis. Further action would be taken in respect of these two and also the other hotel properties (in the Joint venture) in consultation with the concerned State Governments.

In the first tranche, 8 ITDC hotels (2 for lease-cum-management and 6 for sale) were advertised for disinvestment and out of these, bids in respect of 6 hotels (1 on lease-cum-management and 5 for sale) have been accepted by the Government. In the second tranche 9 hotels were advertised and the Qualified Interested Parties have carried out due diligence but the bids are yet to be invited. In respect of the remaining hotels (including all the Joint ventures) action would be taken in due course.

Hotel Corporation of India (HCI):

Following the acceptance of the recommendations of the Disinvestment Commission, the Ministry of Civil Aviation/Air India Board approved the Disinvestment of HCI properties as under:-

(i) Hotels at Mumbai and Delhi to be sold as separate units through a transparent and competitive bidding process after undertaking a proper valuation.

(ii) In case of Centeaur Hotel, Srinagar, the management of Air India to initiate dialogue with Jammu & Kashmir Govt. in order to exit from the ownership of the Hotel.

To implement the above decision, a sub-committee was constituted by the Ministry of Civil Aviation to over see the process of disinvestment of HCI and a Global Advisor was appointed by Air India for the purpose.The Government later decided to have the process of disinvestment in HCI completed by the Ministry of Disinvestment.Financial bids were invited from the bidders for HCI properties (other than Hotel Centeaur Lake View, Srinagar) and after scrutiny & examination, the Government has accepted the bids in respect of two hotels. The other properties (except Srinagar) for which either the bids were below reserve price or no bid was received, further action to re-invite bids would be taken in due course. Regarding Hotel Centeaur Lake View, Srinagar, the matter is yet to be resolved with Govt of Jammu & Kashmir.